Q2 & H1 FY14
Press Release

Trident achieves Rs. 1,000.2 crore in Revenues, Rs. 211.5 crore in EBIDTA and Rs. 72.7 crore in PAT in Q2 FY14

Ludhiana/Barnala/Bhopal, November 12, 2013: Trident Limited, flagship Company of USD 1 billion Trident Group and leading manufacturer and exporter of Textiles & Paper products, today announced its financial results for the quarter and half year ended September 30, 2013.

Financial Highlights for Q2 & H1 FY14

Particulars (Rs. crore)	Q2 FY14	Q2 FY13	Growth %	H1 FY14	H1 FY13	Growth %
Revenues	**1,000.2**	**826.0**	***21.1***	**1,872.9**	**1,632.8**	***14.7***
EBIDTA	**211.7**	**118.8**	***78.3***	**406**	**251.9**	***61.2***
EBIDTA Margin %	***21.2***	***14.4***	***679 bps***	**21.7**	**15.4**	***625 bps***
EBIT	**143.0**	**54.6**	***162***	**269.3**	**123.7**	***117.7***
PBT	**91.2**	**1.8**	***48x***	**158.1**	**3.3**	***47x***
PAT	**72.7**	**1.4**	***50x***	**116.8**	**2.4**	***48x***
EPS (Diluted & non-annualized) (Rs.)	**2.34**	**0.05**	***46x***	**3.76**	**0.08**	***46x***

Commenting on the performance, Mr. Rajinder Gupta, Chairman at Trident Limited said:

"The investments made over the last few years towards expansion combined with initiatives undertaken towards cost rationalization and changing our product mix to value-added products has started to yield results. Besides improving operating environment across all our business segments have enabled us to achieve better quarterly earnings in Q2 FY14.

The demand outlook is robust and we are confident of maintaining the growth momentum supported by larger capacities, better utilization and improved product offerings. We have combined our operational focus with prudent financial management that will help us strengthen our balance sheet and drive growth going forward."

Financial Highlights for the quarter ended September 30, 2013

- Yarn segment revenues improved to Rs. 507.1 crore as compared to Rs. 406.8 crore in the corresponding quarter; up ~25%; PBIT more than tripled to Rs. 73 crore compared to Rs. 23.1 crore in Q2 FY13
- Terry Towel segment revenues at Rs. 362.7 crore compared to Rs. 325.2 crore in Q2 FY13; PBIT more than tripled to Rs. 48.3 crore vis-à-vis Rs. 15.4 crore in Q2 FY13
- The revenues of Paper & Chemicals Division were higher by ~23% at Rs. 212.8 crore as compared to Rs. 173.5 crore in Q2 FY13; PBIT grew by ~30% to Rs. 31.9 crore from Rs. 24.6 crore in Q2 FY13

Segmental Overview

Yarn

- Growth in topline driven by growth in sales volume as well as realizations
  - Revenues grew by 24.7% to Rs. 507.1 Cr compared to Rs. 406.8 Cr in the corresponding quarter of last year
  - Sales volume grew by 8.3% while realizations improved by 15.2%
  - Improvement in realizations driven by the enhanced focus on value added products
- PBIT margins improved by 8.7 percentage points
  - Improvement in margins driven by the various cost optimization initiatives undertaken along with increased focus on value added products

Terry Towel

- Topline enhanced despite lower sales volume due to increased realizations
  - Realizations improved by 28.7% backed by greater focus on value added products
- PBIT increased from Rs. 15.4 Cr to Rs. 48.3 Cr, up 213%
  - PBIT margin increased from 4.7% to 13.3%, driven by cost optimization measures undertaken as well as greater share of value added products

Paper

- Topline growth driven by increase in both sales volumes as well as realizations
  - Revenue growth of 22.7% compared to Q2FY13 , Sales volume grew by 13.7% while realizations improved by 7.9%
  - Improved realizations resulting from enhanced product mix towards the copier segment
  - Branding initiatives and launch of Trident Royal Touch Copier Paper in the previous quarter fetched encouraging results

Merger of Trident Corporation Limited with Trident Limited

The Board of Directors of Trident Limited [TL] and Trident Corporation Limited [TCL], in their respective meetings held on October 09, 2013, approved the proposal to merge TCL into TL. The amalgamation is subject to statutory / regulatory, shareholder and creditors approvals as relevant.

Merger Benefits & Synergies:

Given similar lines of business of both the companies, the merger would yield following benefits:

Consolidation

- Joint operating benefits in the areas of manufacturing, procurement, new product development, marketing resulting in enhanced shareholders' value

Global Scale

- Combined entity will emerge as one of the largest global players in the integrated home textile segment

Economies of Scale

- Efficient utilization of capital, optimum utilization of infrastructure and other resources
- Jointly setting up and commissioning of projects in hand, contributing to the overall growth prospects of the combined entity

Streamlining Group Structure

- TCL being an associate company of TL, the merger shall lead to streamlining of similar business interest of the Group into one corporate entity, resulting in operational synergies, simplification of the group structure and efficient administration

Forward & Backward Integration Benefits

- Cotton yarn manufactured by TL shall be the raw material of the terry towel being manufactured by TCL, resulting in cost synergies
- Proposed captive power unit of TCL will supply power to the manufacturing units of TL
- Reduced dependence on the State Power Resources, resulting in considerable cost savings and making the merged entity self-dependent

Business Synergies

- Better utilization of the technical capabilities, resources, infrastructural facilities of TCL with larger scope for obtaining / infusing additional investments / funds resulting in increased turnover of TL
- Enhanced networth and increased brand equity of the combined entity is expected to lead to enhancement in shareholders' value

Geographical Diversification Benefits

- Locational advantage of the state of Madhya Pradesh being nearer to ports, mega project incentives offered by the state, reduction in power cost, etc. making the exports of TL more cost effective resulting in improved profitability

Cost Optimization

- Pooling of sales, marketing and distribution network and other functions will deliver cost synergies and efficiencies

Enhanced Growth Prospects

- Enhanced networth, improved financial leverage of the merged entity would form a strong base and competitiveness to effectively negotiate various tie-ups, long term supply contracts, alternate inputs, etc.

Highlights of the Merger Scheme

- Creates a single entity with major focus on yarn spinning, home textiles and paper
- Consolidation will make Trident one of the Largest Integrated Home Textile manufacturing facilities in the world
- Leverages the synergies arising both in terms of revenue as well as costs, and shall enable the merged entity strengthen its focus on its core competencies
- TL shall issue and allot 16 (sixteen) equity shares of INR 10/- each fully paid up at a premium of INR 18.61 per share for every 25 (twenty five) equity shares of INR 10/- each fully paid up held in TCL
- The Appointed date of the Scheme shall be April 1, 2014

Independent Advisors to the Transaction

- **Independent Advisors**: KPMG
- **Independent Valuers**: BSR & Associates, Chartered Accountants
- **Fairness Opinion**: Motilal Oswal Investment Advisors Private Limited
- **Legal Advisors**: Amarchand & Mangaldas and Suresh A.Shroff & Co.

Post merger and the ongoing expansions, the production capacity of Trident Limited would rise to 700 looms manufacturing 360 million pieces of towel/annum, 500 looms manufacturing 50 million meters of sheeting/annum, 6 lac spindles manufacturing 1,50,000 tonnes of cotton & blended yarns/annum and 130 MW of captive power. This will make Trident one of the Largest Integrated Home Textile manufacturing facilities in the world. Apart from being a renowned name in Home Textile Segment, the Company is also the leading wheat straw based paper manufacturer with an annual production capacity of 2,00,000 tons of eco-friendly Paper.

Awards and Accolades

During Q2 FY14, the Company has been conferred with multiple awards by Cotton Textile Export Promotion Council (TEXPROCIL) for its outstanding export performance in Terry Towels, Global Exports (Overall) and Exports of Yarn Counts 50s & below categories.

About Trident Limited:

Trident Limited is the flagship company of Trident Group a USD 1 Billion global player, with its array of customers spread across 75 countries. Trident Limited is a leading manufacturer of Terry Towels, Paper, Yarn and Chemicals.

The Company has emerged as one of the largest manufacturers of terry towels and wheat straw based paper manufacturers in the world. Trident is associated with global retail brands across the globe, including Ralph Lauren, Calvin Klien, JC Penney, IKEA, Target, Wal-Mart, Macy's, Kohl's, Sears, Sam's Club, Burlington, etc. Trident has also frequently received accolades from its patrons in recognition for delivering high quality standards and for the customer centric approach. With a Compounded Annual Growth Rate (CAGR) of more than 30%, Trident has established itself as one of the fastest growing groups in India.

Now, with the establishment of the state-of-the-art manufacturing processes, systems coupled with appropriate human capital and credentials, it is continuously making investment for expanding and modernizing its capacities.

About Trident Corporation Limited:

TCL is an associate company of TL, wherein TL is holding 25.42% of the equity shares of TCL. It has implemented a textile project by installation of 300 looms to manufacture terry towels at a capital outlay of INR 1,191 crore and the said project is already under trial. TCL is also implementing captive power project to generate 60 MW power at a capital outlay of INR 393 crore besides implementing an open end yarn project by installation of 1,920 rotors to manufacture open end yarn at a capital outlay of INR 60 crore. All the aforesaid projects of the TCL are being implemented in District Sehore in Madhya Pradesh.

For more information about us, please visit www.tridentindia.com OR contact:

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